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Thank you very much. Secret Intelligence in a Free Society. I asked to talk about that because I hear differing opinions in our country today. There are some people who contend that secret intelligence is still a threat to our society, still out of control. On the other hand, there are others who contend that the restrictions imposed upon intelligence activities in our country today have hobbled us because of the desire to protect our freedoms. And yet I hear another strain of opinion which says we don't care about either of those, but we're concerned that the intelligence is not good enough. You didn't predict the 1973 Arab/Israeli war, you didn't predict the demise of the Shah, we don't care what it takes, we want to be informed. Well, what I'd like to look at with you in my remaining 19 minutes--I will run over--is how the attitudes of our country towards its foreign affairs today are evolving and what that means in terms of needs for intelligence and then whether we can meet those needs for secret intelligence while still protecting our freedoms.

It seems to me today that our country is somewhere in between the traditional activist/interventionist cold war attitudes and a new definition of the finite limits that exist on our ability to influence and control events abroad. Now this raises a problem because when we are in a transition phase, there is still the instinctive tendency to reach back for the old interventionist responses on the one hand, and there is

an uncertainty on the other as to just which of the new responses are likely to be applicable to a particular situation. And as a result, since you cannot turn foreign policy on and off like a faucet, it may seem to others that we are confused as we turn on a little hot and a little cold to make it come out tepid. Clearly, friends and allies around the world today have a sense of unease during this transition of American attitudes toward their responsibilities abroad. Even some of those countries that criticized us most for our previous interventions are today asking has the United States withdrawn from the international scene. The United States, of course, cannot withdraw.

What then are the limits of our ability and our willingness to play a role on that world scene? Well I think there are four particular limits that are exercised today. The first of these is the much greater visibility today of foreign policies and particularly foreign interventions. The great revolution of the last several decades in international communications means that whatever we and our free world allies do on the international scene, is instantly known around the world. And it also means that there will be wide spread attention to those things that we do and with that, either criticism or approbation. Now I don't really know how to explain it but I do perceive that there is a clear power to influence by means of such criticism or approbation from the international community even though that community, for the most part, is composed of countries that are only second or third rate powers. In effect today limits or constraints are being forged by the cries of the powers. For instance, in some endeavors no matter what the major powers or industrial nations of the world want they cannot move unless the lesser developed

Approved For Release 2001/08/07: CIA-RDP80B01554R002900270001-5 countries will go along with it. Today there is a Law of the Sea Conference. Today there are efforts in the United Nations for anti-hijacking, anti-hostage sanctions. Today there is a World Administrative Radio Conference that will set the use of radio frequencies for the next two decades. These types of activities are those in which one country has one vote and the efforts of other nations to influence those activities by exercising political or military influence will not likely be successful.

A second form of limitation on our ability to intervene overseas today derives from the fact that the enemies of monolithic Communism have been punctured. It is no longer easy to decide to what side we want to be on in the international arena and to decide where we might want to intervene. Look at some of the choices this country had in 1978. There was a war in the Ogaden of Ethiopia and the side that the Soviets were against was represented by a Marxist dictator who was the aggressor in that war. Look later in Cambodia where the side that the Soviets were against was probably the most repressive regime in the world today, that of Pol Pot. And look even at the recent events in Iran and what choice faced this country as there stood before us on one hand a trusted, a loyal ally who had been with us and supported by us for years; and on the other hand, we could have selected and thrown our lot with some Ayatollah who might bring together all of the great discontent that was bubbling in that country. Difficult choices because the white hats and the black hats are not so easy to distinguish today.

A third limitation on possible intervention is our lesser ability today to effect change even if we do intervene. We're circumscribed by several factors. The first is the attitude of fie on both the House

of Romanov and Washington. Yugoslavia, Albania says spy on all three of us. Iraq is anti-U.S., becoming more and more anti-Communist. And so if we try to influence by political pressure we may simply find people thumbing their noses at us. If instead we try to influence by military pressure, we also find that the state of weaponry in the world today is such that even minor powers with modestly sophisticated, relatively inexpensive weapons can do terribly disruptive, defensive things to major military powers. They are on the swing of the military pendulum towards the easy defense. Of course I need not remind us with our Vietnam experience—and today it is ironic those same Vietnamese are facing that same situation with Pol Pot. In short, the chances for a success if we intervene overseas today, either militarily or politically, are greatly lessened.

And finally, another limit on the ability to intervene is that when national interests are evolving, changing like they are today, it is more difficult to gain consensus within our country as to what objective may be worth intervention. After Vietnam it appeared there was a consensus in this country that no intervention, at least short of the Warsaw Pact invasion of Western Europe, was worthwhile. After the 1973-74 oil embargo, it seemed to me there was more attention towards the Middle East. But the recent clamor over Iran has not been to intervene in that country but rather to presume that if the CIA had provided us perfect intelligence, somehow the result would have come out differently. There's been little discussion on what we could have done to influence events in Iran. In addition, I think this country is much more aware today than in the past that countries like Indonesia, the

Sudan, Egypt, were all submerged under the red tide of Soviet Communism only to find that in time a new wave brought them back to the surface of freedom. And so today we question in this country not only our ability to influence events abroad but the need to do so.

Under these circumstances what is the role of intelligence as our nation passes through this transition in our outlook on foreign affairs. Primarily we can provide reliable information as a base for the country to update its objectives. And if we are less able today, as I believe, to influence current events abroad, I think this may mean that forecasting the trends that we see for the future is perhaps a more important role for us than heretofore. We need to anticipate the requirements of our policy makers, what should they be prepared for, what can they hedge against or possible ward off, or what can they shape if they take a longer term view of the situation. For instance, it may mean less emphasis on predicting exactly how many missiles the Soviets are going to have a decade from now and more interest in what are some of the crunches that the Soviet leadership is going to face when, on the one hand, they have a sagging economy and, on the other hand, a policy of constant 3 to 4 percent increase in the growth of their defense budget and what will the alternatives that leadership faces be. Will it be practical in talk of reductions in the armaments and defense expenditures or will it be more likely to talk in terms of the aggressive use of those arms to cover up the other problems.

If we're going to provide information on such trends and alternatives, we in the Intelligence Community must be able to collect and analyze a wide variety of topics across the entire globe. Some of this

will be analysis of military intelligence. Here we are very good. This is our stock in trade. Our technical expertise in the United States Intelligence Community in the military sphere is without equal. But we must, of course, to meet these needs for looking at the trends I have described, shift more of our resources I believe over time into economic intelligence. And here we are very good also. We have, I believe, in the Intelligence Community the best international economic analytic talent in our government and in our country. But economic intelligence may well be much more important if we are, in fact, looking towards long term trends. Because if we are going to influence long term trends, this is the forte of the United States, for the Soviets can compete with us in the military sphere but not in the economic.

And finally, we clearly must also give way and give more attention to political intelligence. And here is our most difficult sphere. It is imprecise, there is less hard data, and it is especially difficult to predict short term coups, upheavals, aggressions, and assassinations. I wonder how many of you think that Lenin or Sun Yat Sen or Ayatollah Khomeini really predicted when and how the revolutions that they sponsored were going to take place. I understand Sun Yat Sen was in Colorado. If we're going to predict, however, these political trends, I think we must concentrate our intelligence more on the undercurrents, the less obvious activities, the activities of opposition and dissent. And here I need not explain that there are very real inhibiting factors, particularly when one deals with an old friend or an ally. It is very difficult sometimes to explain why one trucks with his opposition.

But we must find the right balance between military, economic and political intelligence and to do so we must consider two factors. First, what do the policy makers want and need. Now intelligence cannot advocate policy, one or the other. It must stand in between and distinguish between pushing for this policy and explaining what the policy alternatives and what the alternative implications of those policies will be; what intelligence officers must study in those areas where the policy makers are making policy, what good would it do to analyze Africa if the policy makers are working in Asia. And so if we are doing our job, it sometimes appears as though we are deliberately supporting policy. And well we should but we should support policy only to the extent that good information always influences ideas. We must not, cannot, and do not become advocates.

The second factor in the balance between these three forms of intelligence must be that in addition to responding to the needs of the policy maker, we must stand back and look at the broad scene and say, what do the policy makers need to know that they are neglecting, that they are not looking at, what will come up and bite them tomorrow because they are too preoccupied today. And so we have a difficult challenge to stay disengaged from policy formulation, but to stay closely attached to the policy makers both in terms of supporting them today and nudging and quiding them towards their needs tomorrow.

The only time that we engage in support of policy is in what is known as covert action. And covert action, as unpopular as it is, is a non-intelligence activity but one that has, since 1947, always been assigned to the Central Intelligence Agency whenever this country was

going to undertake it. And here covert action is defined as the effort to influence events in foreign countries without the source of that influence being known. But besides that, intelligence officers are not in the role of supporting or advocating policy.

Let me quickly go back to the three questions I posed at the beginning. Are we too circumscribed, are we hobbled today in the covert action field? Perhaps yes. Too many notifications, clearances which promote too many possibilities for leakage when the cost of a leak may be exceptionally high either in life, limb or diplomacy. In intelligence collection? No. I don't think so, at least not at this time. There are dangers, of course, of going overboard in the amount of controls and regulations that we have. But the controls today that hobble intelligence are mainly those that interface with the American citizen and here, sometimes, we are circumscribed in a damaging way. Sometimes we are collecting information about foreign drug traffickers and in the course of that there's an interface between the foreigner and an American citizen and we have no option but to drop the issue and get out.

But on balance, it is my judgment at this time that these restrictions, while they do inhibit to some extent, are working for two reasons. One, they give assurance to the American public that we are not out of control. And secondly, they introduce into the Intelligence Community itself a sense of accountability and responsibility that has not been strong enough in years past. So I think we are finding that right balance. And in answer to the second question, no, our intelligence activities are not a threat to Americans today. They are not out of control. The oversight

Approved For Release 2001/08/07: CIA-RDP80B01554R002900270001-5 procedures of the President himself, of his Intelligence Oversight Board, of the two oversight committees of Congress give ample check that the quidelines that have been given to us are, in fact, being enforced.

And finally, are we good enough. I'm not the man to ask but my answer to you would be yes. There have been inevitable reductions of capability that I have mentioned and others through the proliferation of leaks of classified information, through the lack of public support for our necessary activities. But still, on balance, I believe that we can live with these factors and that we can do the job that needs to be done. Sometimes there is an oversimplification of the problems and short term issues are blown up into much bigger ones than they are. But on balance, I believe we are, can and will provide our policy makers the kind of support that they require.

In short, we are today in this country emerging into a new generation of intelligence activities. The world has changed around us. The U.S. role in that world has changed. And hence, the Intelligence Community of our country must change also. So with any change as fundamental as this is today, there is bound to be disquiet, there's bound to be discontent, there's bound to be concern that we're throwing out the baby with the bath water. And certainly we must be careful. But I am convinced the adjustments that we are making, have made, and will make even further with the important legislative charters that I hope the Congress will enact this session; these, I believe are continuing to point us towards the capability to obtain and analyze that information which is essential as a basis for our foreign policy and yet to do so in ways that will only strengthen the freedom, the standards, the morals of our country. Thank you.

QUESTIONS & ANSWERS

- Q: Shouldn't intelligence that you gather, not military intelligence, that is political and economic intelligence, (tape turned)
- I think the answer to that is that in the last two years I have tried A: very hard to do more of what you are suggesting. We have published more in an unclassified form in the last two years than ever before: a major study on the world energy prospects, a major study of the Soviet economy, the Chinese economy, international terrorism, the Soviet defense budget, and many others which are available to all of you through the Library of Congress and the National Technical Information Service of the Department of Commerce. But some of the intelligence, even in economics and political arenas, that we produce comes from extremely sensitive information and therefore if we publish it, we have lost it for good. So we have to strike a balance. And what we do is we take any classified report and we ask ourselves, if we delete from it that which would lose us the source of that information or that which uniquely gives President Carter an advantage by having it and it not being known that he has it, is there enough corpus left to be of value to the American public. And if it will enlighten the American debate on an important topic like world energy, we then publish it. It's difficult for us because sometimes you cannot publish all the rationale that goes with it and it looks sometimes like somewhat superficial analysis. So we have a difficult balance to make here but we are trying to come as far as we can in the direction you suggested.
- Q: Admiral, I would like to ask what is the Communist threat as opposed to the Khomeini government in Iran?
- A: What is the Communist threat opposed to the Khomeini government in Iran? Today, the left in Iran is emerging in a number of guises. There is the Charik terrorist group, Marxist terrorists who sided with Khomeini in the course of the revolution against the Shah, who now are very clearly challenging him, attacking the U.S. Embassy, and so on. There is the traditional Tudah party becoming more active. There is a new Maoist communist party in Iran and we're not sure how many other smaller leftist, communist oriented groups there are. But what has happened I'm afraid is that those sources of cohesion that played on the same team in order to achieve a common objective of the overthrow of the Shah are now playing against each other; and with the demise, for the time being, of the military, it is very much imbalanced as to whether Khomeini can gain control over these better organized, more militant leftist groups.
- Q: Admiral, I think the CIA and the Peace Corps are the only two agencies in the federal government who prohibit the military personnel with intelligence backgrounds from serving in their agencies. I wonder if you would discuss the statutes that led you to conclude that prior military intelligence personnel should not serve with your Agency.

- A: Having retired from the military two months ago, the lesson here, ladies and gentlemen, is you just can't believe what you read in the press. I have never made a ruling against hiring military retirees... please come over. I hired one yesterday as well as keeping myself on the payroll when I retired. Now what I have said is that I will not hire a CIA or a military retiree to come in and do a job which I find within the Central Intelligence Agency I have the talent to promote and fulfill the job from inside. I owe it to my younger people and my greatest emphasis out there is to make room for the young, brilliant people we have to realize there is a career there for them and that they can see the opportunity ahead. Because if we don't, we won't have the Central Intelligence Agency in 1989 and I feel a responsibility to assure that that's the case.
- Sir. you spoke very articulately of the limits on American intelligence 0: right now. I note a contrast though that the fact that in Soviet journals and newspapers they attack each of your four categories on almost precisely the opposite on Soviet capacity. I won't bother to go through the four areas, but they find precisely the opposite right now. We're talking about limits, they're talking about opportunities. You and I were both at the Officers Conference at IISS in September and I recall a very distinguished intellectual making the statement that perhaps the United States, or perhaps the most important problem in the world today was that the United States was now engaged in a massive overreaction to a overreaction, meaning an overreaction to the overreaction of the Vietnamese war. In view of the fact that the President of the United States made a statement announcing in advance that in several very critical situations the United States will not intervene, therefore automatically giving away the last card, and that you have given a speech on the limits of the United States. How would I, say as a Thai or a Mexican or a person from any number of critical countries that must be anxious about American capacities and even more anxious about Soviet capacities, respond to your address tonight on limits?
- A: Why are we emphasizing limits when the Soviets are emphasizing capabilities and how do we explain this approach to international affairs to other countries? Let me suggest that I do not grade these four limits as something I thought we should create, establish, have. I think they are facts of life. I think they are facts that we are facing, not facts that we have cause to come about by deliberate intent. Therefore, I think we are facing the realities of life in a democratic society in this age. And the fact that we are adapting to them and finding a foreign policy that suits this country in the face of those limitations and with it an intelligence capability to support that foreign policy, I think will be a very strong factor in the long run. It looks difficult today as we thread our way to an understanding of what policies we can follow in view of these external limitations.

- Q: I am reassured that, as you just stated earlier, you feel you can live with the kind of new things such as giving out more information, living with the restrictions in our work. But I would like to go back to the first question you were asked. I'm just amazed as a citizen that we give up so much information--I'm just amazed that anybody can pick up a paper, including foreign agents, almost to the point where I say to myself that Russia doesn't need a foreign agent here; just send the New York Times to Moscow and they can pick up many, many things. I'm disturbed that we're giving out so much.
- A: The gentleman is concerned that we give out so much information and I am too in many ways. If I weren't prohibited from propagandizing the American people, the best thing I could do to support our security would be to publish my own Aviation Week because then I could clearly confuse them. Seriously, that's a most appropriate topic, far too much is published today. Far too much of it leaks out one way or the other and our intelligence capabilities will be endangered if we cannot show people around the world we can be trusted and, indeed, we make the problem much easier for the KGB. Now balanced against that is your and my firm conviction that freedom of the press, freedom of discussion is absolutely the fundamental of our way of life and we don't want to endanger that by creating such levels of secrecy that those secrecy levels can be abused. So it is a delicate balance and I am wholeheartedly behind you that we must see the pendulum tick to a more sense of responsibility. The media must deny itself some choice stories that they acquire by one means or another when they recognize how much the national interest is at stake.

Q: (Inaudible)

A: Does the CIA contemplate asking for restrictions on the Freedom of Information Act? The answer is yes. Not that we think the Freedom of Information Act is not a good act. I think it could achieve a lot for our country and I endorse it. But right now I have 116 people working full-time on the Freedom of Information Act and the percentage of response we can give is very, very small. But we have to search and search and search and then justify that these things should properly remain classified. We are asking only to exempt certain categories of intelligence; that is, if it was derived in certain ways the odds of it being releasable are very, very slim and we are spending your money and mine as taxpayers, in rather futile searches. We do want to continue searching in those areas where there is a reasonable probability of satisfying the citizens need. I also must say that I don't like to get a Freedom of Information Act request from a communist embassy.

Q: (Inaudible)

A: Can a citizen deal in an informed way with intelligence matters from what he reads in the press or is that just impossible because of the necessary levels of secrecy? I think you can but I think you

have to be very judicious and watch those columnists over a period of time. Many of them contradict themselves over a period of each of two days. Seriously, you have to gain some sense of which are the responsible and which are the sensationalist ones and then you just have to try to use your good judgment as to what is reasonable and what is not. But it isn't easy I'm afraid.

Q: (Inaudible)

A: I'm very concerned that I gave the wrong impression. I think our ability with good intelligence to influence current events is sharply reduced. But I wouldn't want to foreswear even strong military intervention today in some situations. I think there are fewer opportunities when that's likely to be successful or other forms of intervention. I would like to forecast trends not just to supinely adjust to the inevitable future, but to help our policy makers shape that future but to do so without having to intervene in the same sense that I was trying to describe about current events. I think if we shape our policies over a longer period of time, we can't help but conform the world to our standards. But it takes an understanding of where things are likely to be in the future, so you start those policies earlier. Semantically I'm tied up in my own words because I'm talking about long term intervention perhaps rather than short term intervention. I think we must intervene over the long term and that is a more subtle, a more measured approach than waiting until the crisis is on top of you and then trying to charge off with a fire brigade.

Q: (Inaudible)

A: The question is, roughly what kind of problems are we in if we continue to fail to utilize the covert action capabilities and the Soviets do. I can't honestly break out for you the percentage of our effort that goes into covert action influencing events in other countries, or just collecting intelligence information. I wish I had a better feel for that but you have seen, if you've read the papers recently, the stories about forgeries that the Soviets have been putting on around the world which is a form of covert action today. There is no question that they are active in that field. From our point of view, can we survive without resorting to more covert action than we have today and we do have some today. I think so because in the two years I've been in this job there were rather few covert action activities proposed and turned down that it seemed to me had a very high probability of influencing something of significance. But I am firmly persuaded as I gather you may well be that we must not emasculate our covert action potential because circumstances will change and what was a reasonable covert action opportunity five years ago may not be today but it may be again in a different five years or in a different form in five years. So we must maintain that residual capability and we are endeavoring to do so.

- Q: How likely do you think it is that there'll be Islamic revolution in Egypt and Turkey and what effect do you think these and the revolution in Iran will have on the long term security interests of the United States?
- How likely is it there will be an Islamic revolution in Egypt and A: Turkey and how great an influence or a factor would that be for the interests of the United States? Both Egypt and Turkey are Sunni rather than Shi'ite which is some advantage in this case because there is a less organized hierarchy. Turkey and Egypt, but Turkey in particular has a better foundation of democracy and habit of expressing dissent through channels rather than repression that existed before in Iran. In Turkey, the disorders, the violence that we've seen over the last four or five years these don't seem to be pointed at a grievance with the government as much as grievances with other groups, the left with the right and the right with the left and so on. But there is no denying the facts that there is an Islamic resurgence. I would think if you were a member of Islam and had always thought that Mecca was the center of the world and suddenly it is much more the center of the world today, at least the Arabian peninsula is, that it would help resurge your faith. So I think it's going to be a problem for both Egypt and Turkey and a problem of can they find the right pace of modernization, the right pace of relaxation of controls on oppressed people and so on that they will be able to keep pace with these demands. I think there is a reasonable probability they will but it's not something one can just make a quiet observation on.

Q: (Inaudible)

A: What would happen in this country if there was an outbreak of something similar to the Red Brigades and why has there not been something such as that since it's an international phenomenon? I happen to hope and believe that if the people of this country would be so outraged at something like this that they would provide enough support to law enforcement agencies that it could not grow. I frankly think there is some cynicism in Italy as to whether they can support and will get effective use out of the law enforcement agencies in these circumstances and that's inhibiting on the whole situation. And I do think it's that basic attitude towards an ordered society that has very largely prevented international terrorism from spreading to this country. We have just been very effective in things like our airport controls and the public has stayed with us and it apparently has been very worthwhile and effective.

Q: (Inaudible)

A: It's too early to tell whether the change of government in Iran has affected our ability to verify the SALT agreement. I really am unable to honestly give you a good answer to that until we just see what that government is going to settle down to and what arrangements will be made on all sorts of previous arrangements between that country and the United States.

- Q: In the event a Mutual and Balanced Force Reduction pact is enacted or agreed upon, are you confident that we have an ability to monitor the Warsaw Pact nations independent of any monitoring agreement that is part of the early monitoring capacity or part of the agreement of the Mutual Balanced Force Reduction pact?
- Can we monitor independently of any specific provisions in such a treaty of a mutual balanced force reductions treaty? Again, I don't want to hedge your question or dodge your question too much because I don't know what terms we are going to negotiate and we're going to have to monitor or verify. But I will say that to the extent that a limitation in a mutual balanced force reduction is on numbers of soldiers; it's getting more and more difficult. You can count tanks, you can count artillery, you can count aircraft and so on by photographic and other means. There are ways of getting good estimates on the number of troops. But probably the state of the art ahead, and we have to keep moving in that direction. It's not going to be easy but let me only assure you that I'm very much a part of the negotiations on any of these arms limitation treaties. My job is not to say what's good or bad for the United States but simply to say if we negotiate that provision, this will be my confidence of being able to monitor it for you with the means that are available today, or I expect to have available tomorrow, or I'll be able to do it if you'll give me this much money, and the negotiator then must take that into account. And they are very good about making sure I'm kept in on the process so that we don't get down to the end of the wire and I say, "Whoa, I can't do that."

0: (Inaudible)

A: Could I amplify on the transition I spoke of in international affairs? Well I'm simply saying it appears to me that we do not want, as a nation, to rely on the same responses in international affairs which are primarily intervention with money, intervention with political influence, and occasionally intervention with military force as we have traditionally relied on since the end of World War II. And we're not giving as much foreign aid, as much military aid. We're not twisting as many arms in the political arena. And clearly since 1974, we have not intervened militarily. We're not intervening militarily very much these days. I think we are in a transition to what are going to be the mechanisms that we do use in the future. What are the ways, because we have a responsibility in the world and our interests are at stake in many areas and the transition I am talking about is finding the new responses.

0: (Inaudible)

A: Was the CIA once out of control, because I said by inference it is under control today? Most of the activities that I have examined in the CIA's past that are considered unwise or reprehensible today fall into one of several categories. They are today's ethics imposed on yesterday's situation. They are situations in which the government's Executive Branch, at one level or another, approved or directed these

activities. Or they are, and this is the smaller group I believe, activities that were taken unilaterally by the CIA--the drug program that you have heard about. I don't believe it was sanctioned or directed by outside agencies. So I think there is a mixture of all those and to some extent you can say out of control. But I think when the Executive Branch itself directed things which we in retrospect and even with yesterday's ethics, moralities, may think were reprehensible. That is not just the Agency being out of control, its the intelligence function in a sense being out of control. I think we now have these checks and balances, the oversight within the Executive Branch, a written Executive Order that really gives us direction, and the oversight in the Legislative Branch, and eventually the charters which will be a written directive giving us our controls from that side. So I think we're there.

- Q: What has the impact been of the publication of CIA agents' names?
- A: Well the publication of agents' names is very serious. A man like Agee is hurting his country. (end of tape)

